## Congress of the United States Washington, DC 20515

June 15, 2010

Speaker Nancy Pelosi H-232, US Capitol Washington, DC 20515 Majority Leader Harry Reid S-221, US Capitol Washington, DC 20515

Dear Speaker Pelosi and Majority Leader Reid:

We write today to express our strong support for an immediate six-month extension of the Federal Medicaid Assistance Payment (FMAP).

As you know, the American Recovery and Reinvestment Act increased California's federal matching rate from 50% to 61.6%. As a result, the California State Treasury has received over \$5 billion in federal funds through calendar year 2009—funds which were vital to avoiding reductions in covered services, cuts in payments to providers, and job losses. A six-month extension will provide California with an estimated \$1.8 billion. Without these funds, Governor Schwarzenegger has said he will be forced to make corresponding spending cuts that he characterizes as "both cruel and counterproductive."

President Obama has included a six-month extension of this increase in his Budget and House Democrats have twice passed this extension—first in our Affordable Health Care for America Act and again in our Jobs for Main Street Act. And now we have an opportunity to have it passed through both the House and the Senate by including it in the American Jobs and Closing Tax Loopholes Act.

We thank you for your continued leadership and support of the extension and stand ready and willing to assist your efforts to extend FMAP and help states continue their recovery efforts.

Sincerely,

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